

**MINUTES
REGULAR CITY COUNCIL MEETING**

JULY 27, 2015

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Kay McDaniel, Jean Soine, and Neil Herzberg. Donavan Mayer was absent. Others present were Renee Eckerly, City Administrator; Ron Mergen, Public Works Director; Jennifer Welling, Administrative Assistant/Zoning Specialist; Chuck DeWolf, Bolton & Menk, Inc.; Bill Spooner, City Attorney; Ellarry Prentice, Press (6:08 p.m.); JoLyn Lindquist, Social Media Specialist; Val Learue, Denise Beckstrand, Jim Beckstrand, Frank Carter, CentraCare; Pearl Heitke, Joe Miller, Dorine Miller, Nate Mohr, Michele Mohr, Michelle Staub, Mike Novak, Diane Novak, Larry Larson, and Greg Spanier.

The Pledge of Allegiance was recited. Council members gave verbal activity reports.

CONSENT AGENDA

Motion to approve the minutes from the following meetings: April 27, 2015 Airport Commission, December 8, 2014 Special Budget & Finance Committee, May 5, 2015 Liquor Board, May 5, 2015 Property Negotiations Team, June 18, 2015 Special Park & Tree Board, June 15, 2015 Special Public Works Committee, June 22, 2015 Planning Commission, June 16, 2015 EDAP Board, and June 2, 2015 Budget & Finance Committee.

Motion to approve the following vouchers:

7/14/2015	Voucher	90824	\$36,117.95
7/9/2015	Payroll	90825-90833	\$6,337.53
7/9/2015	Payroll Taxes	90834-90839	\$2,009.28
7/9/2015	Payroll Direct Deposit		\$16,349.41
7/9/2015	Payroll - Fed		\$6,156.82
7/9/2015	Payroll - State		\$1,068.42
7/9/2015	Payroll - Blue Cross		\$4,966.19
7/9/2015	Payroll - TASC		\$392.28
7/9/2015	Payroll - PERA		\$5,548.00
7/9/2015	Payroll - AFLAC		\$139.41
7/9/2015	Payroll - SELECT		\$207.70
7/23/2015	Vouchers	90840-90900	\$155,215.83
		TOTAL	\$234,508.82

Motion to approve the attendance of Alice McColley to the 2015 MDRA Annual Meeting on September 18, 2015.

Motion to approve the attendance of Renee Eckerly to the 2015 Municipal Clerks Advanced Academy (MCAA) MCFOA September 10 – 11, 2015.

Motion was made by Soine to approve the Consent Agenda. Seconded by McDaniel and unanimously carried.

CONDITIONAL USE PERMIT – PETER LARSEN

The City has received a Conditional Use Permit Application from Peter Larsen, 212 Business 23 W, Paynesville, MN. Parcel No. 70.39063.0000. This property is currently zoned C-1 Central Business District and occupied by a single family residence, which constitutes a pre-existing non-conforming use. The owner of a pre-existing non-conforming use is entitled to continue the use including repair, replacement, restoration, maintenance or improvement, but is not entitled to extend or expand the non-conforming use to a greater height or to occupy a greater area of land, and the owner of the premises has presented a proposal which enlarges the area of land occupied by the residential structure. One condition is being proposed: That the dwelling to be constructed on the above-premises comply with the lot, yard, area and height requirements of Chapter 11, Section 11.30, Subd. 5. Other conditions may be imposed by the Planning Commission and/or Council as they see fit. The Application, Report & Recommendation, and Conditional Use Permit were presented for consideration. The Planning Commission has held a public hearing and recommends approval. The City did receive one letter from Joe & Viola Kremer and there were in favor of the Conditional Use Permit.

Motion was made by Soine to approve the Conditional Use Permit for Peter Larsen. Seconded by Herzberg and unanimously carried.

VARIANCE – PAYNESVILLE FARMERS UNION CO-OP OIL CO.

The City has received a Variance Application submitted by Paynesville Farmers Union Co-op Oil Co. They own and have recently combined 105 and 109 Garfield into one lot addressed 109 Garfield (70.38636.0002) and it is zoned I2 - Heavy Industrial. The existing structure on this lot will be moved. They wish to construct a 124'x60' chemical storage building. This building will run north and south on the lot; therefore not being able to meet the 10' setback off the south property line and the 25' setback off the west property line. They will be 5' off the south property line; needing a 5' variance and only 12' off the west property line; needing a 13' variance. The reason they are not running the building east and west is this better utilizes the lot leaving more space to the east for future expansion. The Planning Commission has reviewed this and recommends approval.

Motion was made by Soine to approve to set the Paynesville Farmers Union Co-op Oil Co. Public Hearing for Monday, August 24, 2015 at 6:30 p.m. Seconded by Herzberg and unanimously carried.

POSTAGE MACHINE LEASE

Eckerly reported that the lease with Neopost will be expiring in January 2016. The City is in a 63 month contract for \$212.52 per quarter or \$70.84 per month. Neopost contacted Eckerly to allow the City out of the current contract early because the machine has issues. On July 7, 2015, Eckerly presented the quotes from three companies to the Budget & Finance Committee, but due to additional questions regarding the proposed machines no action was taken. On July 15, 2015, Eckerly received a call from the Neopost sales representative requesting a decision on his proposal before August 1, 2015.

Company	Machine	Monthly Price	Term of Lease	Comments
----------------	----------------	----------------------	----------------------	-----------------

Pitney Bowes		No Sales Rep	Called Back	
Neopost	IN600 Semi-auto	\$103.17	60 months	
American Mailing	FP PostBase 45 Semi-auto	\$50.00	63 months plus 3 free	\$95.00 installation and setup fee

The City will need to change the layout of the water billing post cards if American Mailing is selected, but the City can use up the current stock. Eckerly recommends American Mailing to the City Council. She received positive feedback regarding the company from other cities that are utilizing them.

Motion was made by Herzberg to approve the 63 month lease agreement (3 months free) installation in October 2015 with American Mailing Machines for \$50.00 per month plus consumables and authorize the City Administrator to sign the Lease Agreement. Seconded by McDaniel and unanimously carried.

HIRING OF PART TIME LIQUOR STORE CLERK

Eckerly recommended not hiring at this time.

APARTMENT PROPERTY ON HWY. 55 – COMMUNITY PARK LUXURY APARTMENTS

A Lot Split Application that the City is submitting to split off the storm water retention pond and wellhead protection area from the lot to be used for the proposed apartments was presented. This is being done by an Administrative Review Lot Split process. The City Council on its own motion can initiate a vacation of a drainage and utility easement which lies within the City owned property of the proposed apartment complex. Please see the attached Resolution 2015-10 Setting Public Hearing On Vacation Of A Drainage & Utility Easement.

Spooner stated that the City has never done it this way before, but it is a time savings. This will split off the pond and wellhead protection area.

Motion was made by Soine to approve the Administrative Review Lot Split being completed by Renee Eckerly, City Administrator and authorize the City Administrator to sign the necessary documents to be recorded. Seconded by McDaniel and unanimously carried.

Motion was made by Herzberg to approve Resolution 2015-10 Setting Public Hearing On Vacation Of A Drainage & Utility Easement. Seconded by Soine and unanimously carried.

2015 CITY OF EXCELLENCE AWARD

The City has received the \$1,000.00 check from the League of MN Cities for receiving the 2015 City of Excellence Award. The Council discussed what fund this money should be put in. It was suggested to split it 50:50 between the splash pad and holiday lights.

Motion was made by Soine to split the \$1,000.00 2015 City of Excellence Award 50:50 between the splash pad and holiday lights. Seconded by McDaniel and unanimously carried.

2014 STREET PROJECT

DeWolf presented Payment Estimate No. 8; payable to Kuechle Underground, Inc. in the amount of \$35,462.55 for work completed through July 2, 2015.

Motion was made by Soine to approve Payment Estimate No. 8; payable to Kuechle Underground, Inc. in the amount of \$35,462.55. Seconded by Herzberg and unanimously carried.

INFORMATIONAL

Thompson reviewed the following informational items: August & September Meeting Schedules, May & June Investments, Liquor Revenue & Expenses, Incode Financial Reports, City Attorney Report, and Capital Improvement Breakdown Reports – all reports can be found on the City's website. Paynesville Area Memorial Ride Bench and Wellhead Protection Program.

Thompson recessed the Regular City Council meeting at 6:28 p.m. for the 2016 Street Improvement Project Preliminary Assessment Public Hearing.

Thompson re-opened the Regular City Council meeting at 7:18 p.m.

2016 STREET PROJECT

Resolution 2015-11 Ordering Improvement & Calling For Preparation Of Plans was presented.

Please see the attached letter from Bolton & Menk, Inc. regarding re-applying for the 2016 Clean Water Fund Competitive Grant for a regional pond to be located north of Minnie St.

Motion was made by Soine to approve Resolution 2015-11 Ordering Improvement & Calling For Preparation Of Plans. Seconded by McDaniel and unanimously carried.

Motion was made by McDaniel to authorize Bolton & Menk, Inc. to proceed with re-applying for the 2016 Clean Water Fund Competitive Grant for a regional pond. Seconded by Herzberg and unanimously carried.

There being no further business, the meeting was adjourned at 7:19 p.m.

Renee Eckerly, City Administrator